How the CIA got rid of Jagan

IN THE House of Commons on Tuesday, the Prime Minister faces a more than usually leading question. Stan Newens, Labour MP for Epping, will ask:

for Epping, will ask:

"Will the Prime Minister make a statement on his policy towards efforts which are being made by the United States Central Intelligence Agency and other United States intelligence organisations to infiltrate and influence organisations which function in British administered territories for pur poses of subversion of law and order?"

As a booby trap, the question lacks finesse, and "No...sir" is the most likely, albeit ambiguous answer. But there is more to it tan that. Although Mr Newens himself appears to know nothing of the details, he is in fact hinting at a substantial case.

This is the downfall of the Left-wing Jagan Government in the colony of British Guiana (now independent Guyana) in 1964. Inquiries by Insight last week made it clear that, this was engineered largely by the CIA. The only cause for a certain amount of Parliamentary unease

The only cause for a certain amount of Parliamentary unease would seem to be that this Government happened to be in a British colony. And the cover which the CIA used was a London-based international trades union secretariat, the Public Services International.

As coups go, it was not expensive: over five years the CIA paid out something over £250,000. For the colony, British Guiana, the result was about 170 dead, untold hundreds wounded, roughly £10 million-worth of damage to the economy and a legacy of racial bitterness.

British Guina, perched on the north-east corner of South America, was never one of Britain's happiest colonies. When, in 1953 the first government was elected—under an Indian dentist. Cheddi Jagan—he and his 4676,

CPYRGHI6 April 1967

Lena did seem a triffe Leit-wing.

To phe Cossi F on Release

—cerrectly—that he had won not because of his politics but because of his race.

Race has always split the country: 300,000 Indians scattered mainly through the rural areas, 200,000 Africans clustering mainly in the townships, and interlarding them about 100,000

polyglot.
The Indians voted fairly solidly for the ascetic Left-wing Jagan. The Africans voted equally solidly for Forbes Burnham, an extrovert African lawyer well to the Right.

To Britain's intense surprise, Jagan meant his Left-wing words. He moved against the foreign sugar companies—he lasted three months. Then the British Government moved in to quell the uproar, flung out Jagan and stayed until 1957. Jagan, saying exactly the same things, won the 1957 elections too.

It began to dawn on everybody
—most forcibly upon the Ameri-

sively southward—that nothing short of an upheaval would ever unseat Jagan. The Indian birthrate was just higher.

The gulf between the British

The gulf between the British and American attitudes to politics becomes starkly apparent at this point. In Whitehall they were vaguely thinking in terms of opposition coalitions. In Washington they were thinking in terms of upheavals. And there was an ideal tool to hand—the Guyanese trade union movement.

With 40,000 members cutting across all races and parties, the local TUC was an admirable ready-made opposition. Fortunately, the two dominating unions were already somewhat anti-Jagan. The sugar workers' union had been dealing with the plantation owners quite successfully without interference from Jagan—and, anyway, though racially mixed, the union supported Forbes Burnham's African party.

The other power base, the civil servants' union, was anti-Jagan primarily because few of its members were Indians. All that was needed was organisation.

was needed was organisation.

The Public Services International had been in contact with the Guyana Civil Service union since the early fifties. The PS I's British, affiliate unions include the Electrical Trades Union, the Transport and General Union, and the "Municipal and General. It was," despite that, one of the weaker and less prestigious of the various international networks which exist to export the union know-how of advanced industrial countries to less developed societies.

By 1958 its fanness west form

By 1958 its finances were low, and its stocks were low with its own parent body, the International Confederation of Free Trade Unions, It needed a success of some kind!

CIACRIDPYS-00449ROOR
Solved, quite suddenly, by the PSI's main American affiliat union, the Federation of State County and Municipal Employees Its boss Dr Arnold Zander had, he told the PSI executive, "bee shopping," and had found a donor

The spoils were modest at first—only a couple of thousand pounds in 1958. It was, the kind donor had said, for Latin America. The money went towards a PSI "recruiting drive" in the northern countries of Latin America by one William J. Doherty, junr., a man with some previous acquaintance of

the CIA.

The donor was presumably pleased, because next year, 1959. Zander was able to tell the PSI that his union was opening a fultime Latin-American section on the PSI's behalf. The PSI was charmed.

The PS I's representative, sail Zander, would be Howard McCabe, McCabe, a stocky, bulle headed American, appeared to

but the PSI liked him. When h came to its meetings, he distributed cigarette lighters and photographs of himself doling out food parcels to peasants. The lighters and the parcels were both inscribed, "with the compliments of the PSI."

The full ludicrousness of this situation appears not to have dawned on the PSI. Zander's union had about 210,000 members at that time, and a monthly income of about £600—barely enough to cover its own expenses. Yet everyone in the PSI knew that the Latin-American operation must be costing every penny of £30,000 a year.

"We did not ask where the money came from," said the secretary of the PSI, Paul Tolfarhn last week, "because I think we all knew."

Jagan finally precipated his own downfall—seemingly working on the principle that if he did not fix the unions they would fix him.

The catalyst was a Labour Relations Bill, modelled largely on the American Wagner Act. It would have forced Guyanese employers to recognise whatever union the workers chose in asserte ballot. The catch was that, since Jagan could organise the polling areas, the balloting was wide open to government gerry mandering.

The general strike began in April, 1963. Jagan seems to have thought that the unions could hold out a month. It was an expensive miscalculation, and by the tenth week it was Jagan, not the unions, who was desperate.

What Jagan had forgotten was the presence of a stocky, bulletheaded man tirelessly bashing a typewriter in the, downtown Georgetown hotel that was the FOIAb3b

CPYRGHT

Approved For Release : CIA-RDP75-00149R0004005B0005-3